

TOWN OF LOOKEBA
June 30, 2013

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**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Lookeba
Lookeba, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Caddo County Clerk
Anadarko, Oklahoma

Association of South Central Oklahoma Governments
Duncan, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Modified Cash Basis of the Town of Lookeba, Lookeba, Oklahoma as of June 30, 2013 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Street & Alley Fund-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2013. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis and budget laws of the State of Oklahoma.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis and budget laws of the State of Oklahoma and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting and budget laws of the State of Oklahoma. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's change in fund balance, budgetary comparisons, revenue, expenses, and grant activity. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town in meeting its financial accountability requirements

as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2013. Management of the Town of Lookeba is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements.

This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the additional requirements in Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Lookeba** as of and for the fiscal year ended June 30, 2013:

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and all other governmental funds, listing separately each federal fund (see accompanying Exhibit 2) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Condition: Expenditures exceeded total appropriations in one fund for the year ended June 30, 2013.

✚ In the General Fund, the maintenance and operations budget was overspent \$34,698. The total budget was overspent \$24,978.

Cause: The Town failed to notice this fund's maintenance and operations budget was overspent.

Criteria: The Town is not allowed to spend more than its appropriations. Amendments to their appropriations should be approved when the Town knows it will exceed its current budget amounts. The board may approve transfers between categories in each fund and supplements may be filed with the county for new revenue which when spent will cause expenditures to exceed current appropriations.

Recommendation: The Town should closely monitor each budget on a monthly basis and not approve any expenditure exceeding appropriation until additional amendments have been made and approved. The categories of each budgeted fund should be tracked in order to determine the remaining budget balance. Council can approve transfers between budgeted categories for each fund. Budget supplements must be approved by the County Excise Board.

Management's Corrective Action Plan: The Town will ensure that all grants received are included in the budget.

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No exceptions were found as a result of applying the procedure.

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No exceptions were found as a result of applying the procedure.

5. **Procedures Performed:** We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

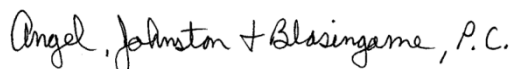
As to the **Town of Lookeba Grant Programs**, as of and for the fiscal year ended June 30, 2013:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit 4) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: No exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.



Angel, Johnston and Blasingame, P.C.
December 11, 2013

TOWN OF LOOKEBA
Lookeba, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCES-MODIFIED CASH BASIS
For the Fiscal year ended June 30, 2013
(Unaudited)

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
TOWN:				
General Fund	\$ 20,819	52,592	51,591	\$ 21,819
CDBG Fund	14,301	1,617	681	15,237
Town Total	<u>\$ 35,120</u>	<u>\$ 54,209</u>	<u>\$ 52,272</u>	<u>\$ 37,057</u>

TOWN OF LOOKEBA
Lookeba, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	\$ 20,819	\$ 20,819	\$ 20,819	\$ -
Intergovernmental-Local:				
General Fund				
Franchise tax	4,506	4,506	4,704	198
Total Intergovernmental-Local	4,506	4,506	4,704	198
Intergovernmental-State:				
Alcohol beverage Tax	1,255	1,255	1,464	209
Cigarette Tax	-	-	-	-
Total Intergovernmental-State	1,255	1,255	1,464	209
Miscellaneous Revenue:				
Interest	34	34	24	(11)
Rental	-	-	-	-
Donations	-	-	-	-
Reimbursements	-	-	4,400	4,400
Miscellaneous	-	-	-	-
Grants	-	-	42,000	42,000
Total Miscellaneous Revenue	34	34	46,424	46,389
Amounts available for appropriation	26,614	26,614	73,411	46,797
Charges to Appropriations:				
General Government:				
Personal Services	6,000	6,000	2,280	3,720
Maintenance & Operations	14,614	14,614	49,311	(34,698)
Capital Outlay	6,000	6,000	-	6,000
Transfer to Other Funds	-	-	-	-
Total Other	26,614	26,614	51,591	(24,978)
Total Charges to Appropriations	26,614	26,614	51,591	(24,978)
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 21,819	\$ 21,819

TOWN OF LOOKEBA
Lookeba, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
STREET & ALLEY FUND
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	\$ 14,301	\$ 14,301	\$ 14,301	\$ -
Revenues:	-	-	1,617	1,617
Total Revenues	\$ -	\$ -	\$ 1,617	\$ 1,617
Non-Revenue Receipts:				
Transfers from other funds	\$ -	\$ -	\$ -	\$ -
Amounts available for appropriation	\$ 14,301	\$ 14,301	\$ 15,918	\$ 1,617
Charges to Appropriations:				
Personal Services	-	-	-	-
Maintenance & Operations	9,301	9,301	681	8,620
Capital Outlay	5,000	5,000	-	5,000
Debt Service	-	-	-	-
Total Other	\$ 14,301	\$ 14,301	\$ 681	\$ 13,620
Other Financing Uses:				
Transfers to other funds	\$ -	\$ -	\$ -	\$ -
Total Charges to Appropriations	\$ 14,301	\$ 14,301	\$ 681	\$ 13,620
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 15,237	\$ 15,237

TOWN OF LOOKEBA
Lookeba, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	<u>Award Amount</u>	<u>Prior Year(s) Receipts</u>	<u>Prior Year(s) Disbursements</u>	<u>Beginning of Year Unexpended Grant Funds</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Unexpended Grant Funds</u>
TOWN:							
ASCOG -							
REAP Lookeba-12	\$ 42,000	\$ -	\$ -	\$ -	\$ 42,000	\$ 42,000	\$ -
Town Total	<u>\$ 42,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,000</u>	<u>\$ 42,000</u>	<u>\$ -</u>